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November 19, 2002

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
Director and Chief Medical Officer

SUBJECT: LOS ANGELES COMMISSION ON HIV SERVICES

The Department of Health Services (DHS) has before your Board today several retroactive contracts for services procured by the Los Angeles Commission on HIV Services for the development of the County's application for federal funds under the Ryan White CARE Act.

At the request of several Board offices, the Auditor-Controller evaluated the solicitation process for these contracts and found that while DHS did not comply with all County purchasing rules, the violations did not appear to warrant cancelling the selected contractors.

Because of additional concerns the Department had related to the internal management of the solicitation process for these services, as well as the actual contract implementation, the Department's Audit and Compliance Division was instructed to conduct a review of the roles played by the Office of AIDS Programs and Policy (OAPP) and the HIV Commission in securing these services.

The initial findings of the Audit and Compliance Division's review indicate that the HIV Commission relied on the advice of OAPP in initiating the vendor's work prior to the approval of a contract.

The Auditor-Controller's review and the most recent findings by the Audit and

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Compliance Division confirm the Department's view that the vendors involved acted in good faith based upon the information they received from both the HIV Commission and OAPP staff and that the work was performed appropriately under the terms of the proposed agreement and met the stringent application requirements and timeline of the federal government for CARE Act funds. Therefore the Department continues to recommend Board approval of these agreements, despite their retroactive nature.

In addition, concerns have been raised regarding the HIV Commission's recent planning retreat. The Audit and Compliance Division also was asked to review the planning and approval process for this event. It is anticipated this evaluation will be completed within the next week.

I will provide you with an update upon completion of this report as to the findings and the corrective actions that will be taken by the Department with regard to not only the HIV Commission planning retreat, but the processing of the agreements as well.

Please let me know if you have any questions.

TLG:ak

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Commission on HIV Services